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SC okays listing of Reach Energy

KUALA LUMPUR: The Securities Commission has approved the listing of oil and gas special purpose acquisition company (SPAC) Reach Energy Bhd.

The fourth oil and gas SPAC to seek a listing on the Main Market of Bursa Malaysia expected to complete the floatation by the third quarter of this year, it said.

It has targeted to raise RM750mil from the initial public offering (IPO), which will make it the largest SPAC listed on the exchange to-date.

According to the listing plan, approximately 94.75% of the IPO proceeds have been earmarked for the acquisition of target assets. The balance 5.25% of the proceeds have been set aside for working capital and listing expenses.

Reach Energy's IPO, which comprise one billion new shares and one billion warrants, will be priced at 75 sen per public issue share.

The exercise consists of the issue of 980 million new shares together with 980 million warrants reserved for private placement, on the basis of one warrant for every one new share.

The balance 20 million shares together with 20 million warrants will be made available by balloting to the Malaysian public.

Managing director Shahul Hamid Mohd Ismail has 34 years' experience in the oil and gas industry and has been involved in many greenfield and brownfield developments. He has also held many senior exploration and production (E&P) roles in Esso and Shell. He was the first Malaysian managing director of Shell Refining Co (Federation of Malaya) Bhd.

Shahul said the company was delighted and thrilled with the approval received from the SC. He believes that it is a good time to venture into the core E&P activities of the oil and gas industry due to the favourable environment and market conditions in the midst of the industry liberalisation.

Hong Leong Investment Bank Bhd is the principal adviser, placement agent and underwriter for Reach Energy's IPO.